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ABSTRACT

This document was written to inform the general community about the financial problems schools are having and to suggest alternative ways by which schools could be financed. It cites examples of school budget crises throughout the nation, presents a breakdown of present sources of school revenue, discusses how money affects the quality of education, and cites court decisions which have held the property tax method of school finance to be unconstitutional in some cases. The advantages and drawbacks of four plans being proposed by educators and financial experts to reorganize school support on a more equitable basis are considered: (1) total funding by the State, (2) cooperative State and local plans, (3) district power equalization, and (4) district reorganization. For a description of the development and dissemination of this document see EA 005 105. Other related documents are ED 070 188, and EA 005 107-EA 005 111. (DN)

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PAYING FOR OUR SCHOOLS:

Is There a Better Way?

January 1971

Basic Document

Communications Coalition
for Educational Change

Paying for Our Schools

The nation's public schools are in serious financial trouble. From Anchorage, Alaska, to Pinellas County, Florida; from Dayton, Ohio, to Portland, Maine, the danger signs are clear: in the 1971-72 school year drastic cutbacks in teachers, substitute teachers, counselors, courses, and length of school day and school year are occurring with alarming frequency.

Chicago, for instance, was $29 million short at the start of the year. Dayton planned to chop two months from the school year. New York City lopped off 5,000 of its 62,000 teaching positions. Los Angeles -- at least $10 million in the red -- cut 1,000 regular teaching positions from its rolls, shortened the school day, and reduced counseling and testing. Philadelphia, with a whopping $68 million shortage, fired 513 of its 12,500 teachers, trimmed $20 million from administrative operations, eliminated $1.4 million for substitute teachers, let almost 200 other staff members go, and whittled $785,000 from its teaching materials budget. The city still will not have enough funds for a full school year.

The financial woes are not confined to the big cities. While some of the country's 17,500 school districts are managing to make ends meet, many are not. Anchorage, for example, enrolls 33,000 pupils, yet it had to slice away 90% of its teaching materials. Pinellas County, with 85,000 pupils, found itself $8 million short in local funding, and dropped 150 of its 4,400 teachers. Portland, with an enrollment of only 13,600 eliminated all of its substitute teachers, and even had to fire three of its 623 regular teachers. Cutbacks in some districts have included music, art, drama, industrial arts, and physical education -- often the keys that open the educational door for slow learners.

In short, many school officials are besieged by inadequate financing, ballooning inflation, overburdened taxpayers in revolt, irate parents demanding value for money, and the demands of increasingly militant teachers who not only want more pay but more say in how and what the country's 91,000 public schools teach. Some educators are beginning to wonder how the schools will survive the current money crisis. And the American public agrees: a recent Gallup Poll shows that people think that finance is the biggest problem facing public schools today.

Why is this problem so acute now? First, simply because there are more children to be educated in a present economy where not only cities but whole states are facing bankruptcy. In 1960, the public schools enrolled more than 36 million pupils -- almost a 44% increase over 1950. In 1971, public school enrollment stood at more than 46 million -- a jump of more than 27% over 1960. In the private sector, the 5.7 million students enrolled in 1960 represented a rise of almost 68% over 1950. But as Roman Catholic parochial schools -- enrolling the bulk of private pupils -- have increasingly closed down for lack of funds, the trend has begun to reverse: the 5.7 million in private schools in 1970 indicated a drop of 1.3% from 1960. The inevitable result is more private pupils moving into public schools to increase the public numbers even further.

Second, present public school financing makes no allowance for inflation. The total cost of all salaries paid to public school personnel, from custodian to administrator, is more than 80% of the average school budget. Since almost all employees get annual raises, the same education costs more each year just to keep up with inflation. There are now more than 2 million public school teachers, and teacher salaries alone account for almost 61% of the average school budget. These salaries have increased almost 78% from 1961 to 1971, from an average $5,449 to $9,689 annually. Still, teachers are underpaid in comparison to other professionals and workers.

Third, the public, once willing to tax itself adequately for schooling, has grown increasingly disillusioned and angry at the high cost of education. Local bond issues for school construction and tax referendums to increase school funds are among the few taxes on which the taxpayer may vote directly. Some 700,000 new classrooms were built in the decade of the 1960's. But currently, irate citizens are turning down half of the bond and tax referendums.

It cost this country's taxpayers some $46 billion this year to provide elementary and secondary schools for the more than 46 million pupils in public schools. Not only did these dollars fail to stretch out across the nation, but they were unequally collected and unequally disbursed. Most educators feel that the schools' financial crisis cannot begin to be solved until answers are found to these two key questions:

Where will the money come from?

How can it be equitably distributed?

PRESENT SOURCES OF REVENUE

At present, in the nation as a whole, 52% of school revenue comes from local taxation, 41% from the states, and 7% from the Federal government. But even this statement is not wholly accurate, for there is a wide variance among the states. In New Hampshire, for example, the ratio is 90% local, 5% state, and 5% Federal. In North Carolina, by contrast, the figures run 19-69-12%. Only Hawaii has no local school taxation.

The United States Constitution leaves the responsibility for education to the states. While most state constitutions direct the establishment of free public schools, they do not specify how the tax dollars shall be raised. In practice, the state legislatures have granted taxation powers to the local school districts, and, with limited justice and success, have voted to supplement the locally raised revenues with state aid to "equalize" the amount spent per pupil.

Most school districts are limited to the property tax by the states, and as a rule these districts receive about 98% of local school revenue from taxes on property. The American taxpayer -- burdened by Federal and state income taxes, sales taxes, excise taxes, and even death taxes -- has been crying out against the property tax, and with good cause. Owning property does not necessarily go hand-in-hand with wealth or income -- for example, older persons may have small fixed incomes but may own their own homes. Assessments differ widely, either according to local practice or even the whim of the assessor.

More importantly, the property tax rate and base vary sharply both within and between the states. The tax base is the assessed value of the property which can be taxed in any community. The property may be assessed at different fractions of what it could sell for. The tax rate is the percentage of the assessed value of property which a community uses to compute taxes.

Wealthy District A, be it urban, suburban or rural, may have realistically assessed, highly valued property, such as an oil or atomic plant plus handsome houses in good repair. This district may have a very low tax rate, while providing extremely high per-pupil expenditures.

Just across the boundary line is Poor District Z. Z has a large number of low-income families, almost no businesses that it can tax, and quite a few houses in disrepair. Yet Z may have an extremely high tax rate which, unfortunately, produces very low per-pupil expenditures because of the low tax base. Z may try four times harder than A to get its school revenues, but A may end up spending eight times as much as Z on each pupil. In a nation which is pledged to equality of opportunity -- in education as in all else -- the property tax is about as unequal as a tax can be, to pupils and to taxpayers.

LEGAL REMEDIES

That is exactly what the California Supreme Court said on August 30, 1971. In a landmark decision, Serrano v. Priest, the court ruled that the property tax for financing public schools violated the Federal Constitution. Citing past United States Supreme Court decisions on inequality of of education opportunity as a violation of the equal-protection clause of the 14th Amendment, the California court held that property tax financing "invidiously discriminates against the poor" by "making the quality of a child's education a function of the wealth of his parents and his neighbors."

California's highest court cited as an example the Baldwin Unified School District, a lower-middle-class area, and Beverly Hills Unified School District, which is extremely wealthy. In 1968-69, said the court, Baldwin Park property owners spent $840 per pupil, while Beverly HIlls spent $1,231. But Baldwin Park property owners paid $5.48 per $100 of assessed valuation for their schools, while the Beverly Hills school tax rate was only $2.38. In ruling such inequities unconstitutional, the court declared: "Thus, affluent districts can have their cake and eat it too: they can provide a high-quality education for their children while paying lower taxes. Poor districts, by contrast, have no cake at all." The case was remanded to a lower court for trial, where opponents of the property tax must verify the financial facts about school taxes. If these opponents argue successfully, then the present system of school finance which is based largely on the local property tax would be deemed unconstitutional. The Supreme Court subsequently ruled that California may continue to draw school revenues from local property taxes until a new method is found.

The Serrano decision started the legal ball rolling. In October of 1971, a Federal judge in Minneapolis ruled that Minnesota's school financing system, which, like California's, relies heavily on the property tax, was unconstitutional because it resulted in inequities in school spending. "Plainly put," said Federal District Judge Miles M. Lord in the case Dusartz v. Hatfield, "the rule is that the level of spending for a child's education may not be a function of wealth other than the wealth of the state as a whole." But Judge Lord issued no injunction against use of the property tax, preferring to wait until the Minnesota legislature acted. That body has taken at least one step to comply with his decision: a new law provides for equalization of local tax effort up to the state's average per-pupil expenditure. Otherwise the former financing system continues. But Minnesotans now are paying higher sales and state income taxes, and lower property taxes.

Then on December 23, 1971, the most crucial decision to date was made in San Antonio, Texas. A special panel of three Federal judges ruled unanimously that Texas public school financing -- which includes 48% from the property tax -- was unconstitutional. Again citing violation of the 14th Amendment, the panel declared that the Texas system guaranteed that "some districts will spend low with high taxes, while others will spend high with low taxes."

The Texas case, Rodriguez v. Edgar, is a crucial one because the judges ordered that Texas must restructure its school financing within two years. The three judges also warned that if the Texas legislature fails to act within that period of time, they "will take such further steps as may be necessary to implement both the purpose and spirit of this order." Some constitutional authorities believe that the Texas ruling might go to the United States Supreme Court as early as the fall of 1972, as Texas is expected to appeal the decision.

And on January 19, 1972, New Jersey became the fourth state to have its system of school finance ruled unconstitutional because it was based on the local property tax. The decision stated, in part: "The system discriminates against pupils in districts with low real property wealth, and it discriminates against taxpayers by imposing unequal burdens for common state purpose." As in the Texas case, the New Jersey judge gave the legislature a time limit: one year to adopt an acceptable financing system and two years for the changeover.

The New Jersey case, based more on the state constitution than the California and Texas cases were, is not expected to go further than the state supreme court. Observers predict it will be upheld. The case represents the first such ruling to address itself directly to the problems of race, poverty, and the financial overburden of large cities.

So far, more than twenty other states have school finance suits filed against them. If the Texas case does not reach the Supreme Court, one of the others is bound to. The high court will then rule on the constitutionality of locally based taxation for school support.

WHAT DOES MONEY MEAN?

With these legal cases in mind, is it true, then, that the more dollars are spent the better the quality of education and the equality of educational opportunity?

The answers to that question are not cut and dried. Both educators and the general public used to believe -- and with good reason -- that the bigger the budget the better the school. Many national surveys have shown that states which have lower expenditures per pupil on the average have a considerably higher percentage of draftee rejections for educational deficiencies than the states with high per-pupil spending. Educators point to the fact that, barring waste, in our society you usually "get what you pay for." One financial expert puts it this way: "I have never found a good, cheap school."

Complicating the question is the fact that some school districts need more money than others simply because of the kinds of children enrolled there. It does cost more dollars to educate the disadvan' gely because they come from homes that give them background or preparation for learning. Take San Diego County in California as an example. In the San Ysidro School District 85% of the children are from minority backgrounds, a third come from families on welfare, and the average reading score in that district is in the nineteenth percentile. Del Mar, another district in the same county, has a 2.8% minority population, only 3.9% on welfare, and the average reading score is in the seventy-second percentile. State aid does not make up for the differences in wealth or programs needed.

In recent years, studies have cast doubt on the dollars to quality and equality equation. In 1965, Congress passed the Elementary and Secondary Education Act, with the bulk of its funds poured into Title I, aimed at improving schools in areas with low-income families. Five years after the act went into effect, the United States Office of Education. reported that among children receiving this Federal aid only 19% had no chance for a significant achievement gain, while 68% had no chance of change at all. The United States Civil Rights Commission, after surveying the major programs offering extra educational compensation to the disadvantaged, declared that "none of the programs appears to have raised significantly the achievement of participating pupils." And in 1965, Dr. James S. Coleman, social scientist at

Johns Hopkins University, issued a report entitled "Equality of Educational Opportunity." He found that what influenced pupils most was what each brought to the classroom from his own home and environment.

What, then, are the answers? The court cases do indicate that money spent is a real factor in judging schools. Perhaps the fairest answer can be found in the book "Private Wealth and Public Education," written by three legal scholars, John E. Coons, William H. Clune III, and Stephen D. Sugarman. They feel that the property tax system and local school administration have combined "to make the public school into an educator for the educated rich and a keeper for the uneducated poor . . . . Whatever it is that money may be thought to contribute to the education of children, that commodity is something highly prized by those who enjoy the greatest measure of it. If money is inadequate to improve education, the residents of poor districts should at least have an equal opportunity to be disappointed by its failure."

PROPOSED REORGANIZATIONS FOR REVENUE

How can the money for schools be raised equitably and distributed fairly? Many educators say that more money should come from the Federal government. The Federal government cannot undertake all school financing (even if it wanted to) since the Tenth Article of the Bill of Rights reserves to the states the right to operate public schools. But there is nothing in the Constitution to prevent Congress from raising the Federal share to more than its present seven percent. Indeed, the Constitution says that Congress is empowered "to levy and collect taxes . . . for the common defense and general welfare of the United States."

Those who seek more aid from Washington believe that the Federal share should be in the range of 20% to 50% of the total school bill. Past Federal educational help has been largely "categorical," that is, tied to some specific educational need or goal, such as better teaching of science and foreign languages, school lunches, or compensatory programs for the disadvantaged child. Now is the time, say proponents of enlarged Federal aid, for Washington to come through with some general aid, some dollars which can be used by the states and local school districts with virtually no strings attached. At present, the Federal government collects about two thirds of all taxes. The United States Commissioner of Education, Sidney P. Marland, declared in December of 1971 that the Federal government should pay 25% to 30% of the public school bill, and that the money should come from revenue sharing -- a program in which Washington would return some of the tax money it collects to the states for distribution to local school districts.

Just how much and how Federal money would be distributed is not presently known. Reports out of Washington indicate that President Nixon soon will recommend a general Federal aid program, but with the proviso that the present system of school financing be reformed as the Federal dollars come.

Turning to the other extreme, total local funding obviously is not viable, given the recent court decisions and the legal responsibility of the states to provide education. Hence any new revenue plan should be some combination of Federal-state-local financing, although there could be variations of extent on that division.

Here are four plans, along with their advantages and drawbacks, which educators and financial experts are now considering:

1. Total Funding by the State. This is how the schools are financed in Hawaii, although Hawaii does receive eight percent of its school budget from Federal funds. The state legislature theoretically votes funds to pay $984 per pupil, a sort of one-child, one-dollar concept. Since there is no local school taxation, the four court cases would not apply in this state. Equality of educational opportunity, as far as dollars can buy it, appears to have been achieved.

But Hawaii is a case unto itself. It has only one school district for the whole state, so there can be no disparity between districts. However, retaining local control over school funds -- long cherished by the American people -- is a problem, since the whole state is treated as one school district. And since most states have many school districts, retaining local control is an important consideration in any movement toward total state funding. It is possible for local districts to keep autonomy in many school matters, but without some sort of fiscal authority that autonomy may be limited.

Another consideration is that in states with many school districts the one-child, one-dollar plan would not necessarily be egalitarian, since some districts have above-average costs for transportation, physically or linguistically handicapped pupils, culturally deprived pupils, and the like. Having the state pay the full costs for these "high expenditure" pupils is a partial version of full state funding which could help erase this disparity. The disbursement of these high-cost expenditures is discussed further in the next section.

Finally, total state support might prove more rigid than diversified support if it requires states to plan for the unexpected, like how to budget contingency or emergency funds for local use.

New York is an example of a state which recently has taken steps toward total state funding. A special commission in New York State reportedly will soon urge that all funds for public schools be raised and distributed by the state, which now pays 47% of the school bill. The method suggested is a statewide property tax, rather than the widely varying local property tax now in effect. However, the Fleishmann Commission, as it is called after its chairman, Manly Fleishmann, a Buffalo lawyer, would seek to protect local autonomy. New York State's bill would be enormous, $2.5 billion now raised locally for school taxes, and some commission members feel that this burden could not be assumed immediately by the state. But some members do feel that, at the least, the state must move as soon as possible to enforce uniform real property taxes and uniform assessments, both steps in the full state funding direction.

A variation of total state funding also being considered calls for the state to fully fund high-cost expenditures. These expenditures might include instructional costs -- the heart of every school budget -- and the special costs of educating so-called "high expenditure" pupils. It does cost about twice as much to educate a handicapped child as a normal one. Vocational training is also more expensive than regular high school, partly because of the costly equipment needed.

The state could raise the necessary funds by a state income, sales, or property tax. However, 41 of the 50 states already have a state income tax, and raising it (as has been done in Minnesota) is bound to cause more taxpayer resentment and resistance.

Or the state might consider leaving the local property tax on residential property, and levying a statewide property tax on utilities and major commercial and industrial property. Retaining the local property tax for homeowners, however, would still result in some inequitable taxation and unequal resources condemned by the four court cases, but the inequities would be lessened.

Full state funding of high-cost expenditures would be especially helpful to big cities, which are suffering severely from "municipal over-burden," the high-cost, high need for all public services in the city and the concentration of high-cost pupils such as the disadvantaged in city schools.

Critics of this plan point out that, however the revenues are obtained, the inequalities of the present financing system would still exist in local revenue collection of non-high-expenditure costs not paid by the state. And, they add, there might be loss of local control.

2. <u>Cooperative State and Local Plans</u>. Two examples of cooperative plans are now operating in Utah and Rhode Island.

2A. In Utah, the state mandates what each local levy shall be. When that levy produces more than a stated amount per pupil or per instructional unit, the excess funds flow back to the state for distribution to poorer districts. There are exceptions whereby a district may tax itself more than the mandated levy and keep the entire proceeds of the extra millage.

While the Utah formula does provide help for the poorer districts, and does give districts an incentive to make a greater taxation effort, it is not totally equitable in educational opportunity. The wealthier district, by taxing itself more and keeping the extra money, could still come out ahead of a poorer district even though this district got additional state help. One way around such a possible discrepancy might be for a local district to raise what it could -- based on its means -- with the state making up the difference. And the state might authorize other solutions which emphasize more equitable fund-raising at the local level.

2B. In Rhode Island, there is a percentage-equalized matching formula for state aid. The state assigns each school system an equalization factor depending upon its rank among all state systems in assessed property value per child. Suppose one school system's factor is 40%. For every dollar that the local school board decides to spend, 40 cents comes from local effort and 60 cents from the state.

While the Rhode Island formula assures local decision on how much money will be spent on schools, some scholars believe that a maximum placed on state aid is preventing the plan from working as designed. Another criticism might be that the equalization rank is tied to assessed property value which could be discriminatory to taxpayers in the sense of the four court rulings.

There are a variety of alternatives in cooperative state and local plans, with differing amounts of state aid -- usually more than at present -- and other lids and limits on local taxing and expenditures. But none of them is currently in operation, and thus it is difficult to judge their advantages and disadvantages.

3. District Power Equalization. This is a plan devised by John E. Coons, law professor at the University of California at Berkeley. Under this formula, a district may elect to finance schools within a range of per-pupil expenditures, for example $500, $1,000, or $1,500. If the district elects to spend $500 per pupil, it must tax itself at 1%; for $1,000 at 2%; for $1,500 at 3%. If the levy produces more than the amount specified per pupil, the excess flows to the state. If the levy produces less, the state makes up the difference.

In short, says Coons, "all districts choosing the same tax rate would spend at the same level. Spending thus would become a function only of the districts' interest in education."

Coons' power equalizing would allow a school district to spend an amount per pupil that it chooses while not having to tax itself higher than any other school district in the state to do so. Some scholars believe that this would suffice to meet any test of equality upon the taxpayer. However, others contend, power equalization would allow school district expenditures to rest upon the tastes of voters in a particular district, and this arrangement can be construed to make the quality of the child's education a function of his geographic location. These scholars further think that, according to the logic of the United States Supreme Court reapportionment decision of "one man, one vote," making the quality of a child's schooling a function of his address could be unconstitutional. These same experts feel that power equalization would not be accepted as an adequate remedy in the three court cases.

Others argue that Coons' plan would increase inequities, since wealthy districts might choose the higher rates, while poor districts choose the lower. However, such towns as Beverly Hills would stand to lose rather than gain by power equalization. In order to get the $9 million it now raises in school revenue, Beverly Hills would have to tax itself up to $29 million, with the $18 million going to the state of California for redistribution to poorer school districts.

4. <u>District Reorganization</u>. This method would consolidate poor cities with their richer suburbs, or any wealthy and poor districts into one, in order to achieve a more equitable tax base and a fairer distribution of funds.

Such plans have been proposed before. A recent example is a desegregation plan. In January of 1972 Richmond, Virginia, whose schools are 70% black, and two of its suburbs, whose schools are 90% white, were ordered by a Federal judge to form one school district by September of 1972. While this merger could improve the new district's tax base, this was not an issue in the Richmond case.

It could be an issue, however, and redistricting could become a widely used way to collect and distribute school money more equitably. The Richmond decision has set a course which other areas looking for new ways to integrate schools could follow. No doubt cities like Detroit, Indianapolis, Atlanta, and maybe even Washington, D.C., will give district reorganization serious consideration. Along the way, such communities may discover the added benefit of a more equitable tax base. The additional cost inner city schools bear because of low attendance rates, for example, may be alleviated through redistricting. And other metropolitan areas directly seeking new ways to finance schools may recognize straight off the adaptability of a redistricting plan to school finance. Certainly consolidation itself is not a new idea. Communities which by themselves cannot afford to support a high school, for example, have long banded together with neighboring communities to do the job.

Redistricting could face serious opposition. Suburbanites, who have fled the cities and who have been spending much more money on schooling than urban areas, will surely resist any attempt to share the wealth with their city neighbors. And this reluctance would also apply in any other rich-poor consolidation of districts.

PUTTING PLANS INTO ACTION

Each of these four plans requires legislation to take effect. Depending on the plan and the state, the legislature may need to pass a new bill or to amend educational finance statutes already on the books. Depending on the state constitution, a referendum may be required, or even an amendment to the constitution itself.

Citizens can petition their school boards and school administrators to press for such legislative action, or they can go directly to their legislators and state officials. In some cases, court action prompts legislatures into action. And citizens can work to influence other citizens, broadening political support when and where it might be effective.

There are also a number of ways money can be collected in order to put each plan to work. Essentially, the choices are among taxes based on wealth (property), sales, and income.

The state might, for example, take over the property tax imposed by local school districts -- a real possibility under the total state funding plan. The state might then establish a uniform, statewide property tax. To do so might require changing property tax administration laws, or it might require constitutional adjustment.

Or the state could choose non-property tax sources, such as broadening the base of sales or income taxes, or increasing the rates.

Forty-five states already have a sales tax to work with, and forty-one have some form of income tax. And rate-raising is not new. During the past twelve years, there have been a total of 410 legislative actions among the states to raise tax rates. Another 36 actions enacted new taxes. Depending on the action, tax administration laws may have to be amended, or new taxes may have to be levied by the legislature. Depending on the state, such actions may require referendums and even constitutional amendments. Other taxes states could consider might be levied on cigarettes, liquor, and corporate income. These too may be subject to the legal and political actions already mentioned.

Distribution is the next consideration in implementing any new school financing plan. Some of the alternative plans spell out distribution patterns more clearly than others. The power equalization plan outlines formulas for district contributions and expenditures. The total state funding plan, on the other hand, leaves open the question of distribution.

Under the guidelines of the Serrano decision, money must be distributed in some sort of egalitarian fashion, with opportunity-based-on-wealth clearly prohibited.

Equal opportunity distribution can take many forms. Recognizing the composition of students' backgrounds and their special needs is one form. Supplementation to low-income areas is another. Many states use weighting factors -- allotting more money per child with special need -- in distributing funds. Minnesota, for example, assigns children from low-income families half again as much funding as children from higher-income brackets.

At each step toward implementation of any school financing plan, the citizen has the opportunity to make his views known. Through lobbying, voting, suing -- and probably through compromising -- he can help shape the kind of financing plan which will control the kind of education that gives all children equal opportunity to learn.

EDUCATIONAL VALUE

Getting enough money for schools and distributing that money fairly are primary considerations. How that money then can be used to get the best educational value for every dollar spent is not yet clear.

Not all school administrators and local boards of education are getting the greatest educational output possible per dollar expended. Critics of the present system maintain that the public schools have a monopoly on the education of American children; consequently, the critics say, there has been little incentive to squeeze the maximum achievement possible from the resources schools have been given. The public has been listening to such criticisms with increasing interest, and has begun to demand both efficiency and accountability.

The word accountability itself has become a kind of educational scapegoat. Accountability should be concerned with better management of educational resources. That means teachers, say some parents, should be accountable for what they teach and how well. Teachers, on the other hand, feel they cannot be held truly accountable unless they have a greater voice in making educational decisions.

Efficiency can best be exercised in the business practices of the schools. Business and industry already are starting to link up with the schools to help introduce successful business methods that are applicable to education. Some superintendents are hiring more budget specialists and economists with business experience for administrative jobs.

But accountability and efficiency cannot by themselves provide good educational value. Citizens still have to decide what they want from their schools: What do parents want for their children? What do children want for themselves? These questions are important to the issue of school finance and they deserve separate discussion.

CONCLUSION

Clearly, there are no easy ways to finance education adequately and equitably, to distribute school funds fairly and evenly, and to get the best educational value for every dollar. But there are efforts underway which are trying to answer these complex questions in the best spirit of American knowhow and experimentation.

The Serrano case in California and the others in Minnesota, Texas, and New Jersey have pointed out the inherent unfairness of the local property tax as the principal means of supporting public schools. It appears certain that the Federal government soon will provide more, and more general, funding for education. It is also clear that the states will have to raise and distribute more equally the monies they give to local school districts, while at the same time assuring traditional local control.

However the formulas work out, they may well cost American taxpayers more dollars for public education than they are spending now. How soon the formulas are found will depend on how quickly those who value the nation's public schools can persuade legislators and the courts to move ahead, and how willing public school champions are to experiment. Realignment of school financing in the states may take years in small steps, but the signposts are already up along the way.